Response of the North Dakota Public Service Commission (NDPSC) to U. S. Department of Energy questions regarding economic dispatch under Section 1234 of the Energy Policy Act of 2005:

1) What are the procedures now used in your region for economic dispatch? Who is performing the dispatch (a utility, an ISO or RTO, or other) and over how large an area (geographic scope, MW load, MW generation resources, number of retail customers within the dispatch area)?

NDPSC Response: The Midwest ISO performs all of the economic dispatch that is subject to the regulatory jurisdictions of the NDPSC.

2) Is the Act's definition of economic dispatch (see above) appropriate? Over what geographic scale or area should economic dispatch be practiced? Besides cost and reliability, are there any other factors or considerations that should be considered in economic dispatch, and why?

NDPSC Response: We believe the Act's definition of economic dispatch is appropriate and that a central security constrained economic dispatch over a larger region such as the Midwest ISO can offer the most economical dispatch solutions. We believe cost and reliability are the objectives of economic dispatch.

3) How do economic dispatch procedures differ for different classes of generation, including utility-owned versus non-utility generation? Do actual operational practices differ from the formal procedures required under tariff or federal or state rules, or from the economic dispatch definition above? If there is a difference, please indicate what the difference is, how often this occurs, and its impacts upon non-utility generation and upon retail electricity users. If you have specific analyses or studies that document your position, please provide them.

NDPSC Response: Economic dispatch procedures differ for different classes of generation depending on the physical characteristics of the generators rather than who owns them. Base load coal-fired generation must observe plant-specific operating parameters such as ramp rates for changing output levels and must maintain plant-specific minimum operating levels to avoid costly boiler shutdowns. Gas and oil fired generation can provide much more dispatch flexibility, but running costs for fuel are also much higher. Wind and solar resources have no running costs for fuel, but operate only when available.

We are not aware of any operational practices that differ from the formal procedures required under the MISO tariff or under federal or state rules.

4) What changes in economic dispatch procedures would lead to more non-utility generator dispatch? If you think that changes are needed to current economic

dispatch procedures in your area to better enable economic dispatch participation by nonutility generators, please explain the changes you recommend.

NDPSC Response: We are not aware of any dispatch problems experienced by non-utility generation in this region.

5) If economic dispatch causes greater dispatch and use of non-utility generation, what effects might this have - on the grid, on the mix of energy and capacity available to retail customers, to energy prices and costs, to environmental emissions, or other impacts? How would this affect retail customers in particular states or nationwide? If you have specific analyses to support your position, please provide them to us.

NDPSC Response: We have no specific analysis, but in general we believe there would be positive benefits from greater use of non-utility generation if it resulted from a true economic dispatch of least-cost resources.

6) Could there be any implications for grid reliability - positive or negative – from greater use of economic dispatch? If so, how should economic dispatch be modified or enhanced to protect reliability?

NDPSC Response: We have been aware of difficulties experienced while implementing a new central dispatch model in the new MISO energy market. We appreciate the progress that has been made, but realize there is still much work to do. We understand and expect that MISO will continue working with balancing authorities to improve grid reliability while achieving greater use of economic dispatch.